

You knew this day would come....Tax day. I have routinely supplied you with facts about the inadequacies of our tax code, but some of these might startle you. This year, 100% of the income the average American earns from January 1st to April 22nd (113 days) will go to pay federal, state, and... You knew this day would come....Tax day.

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- This year, 100% of the income the average American earns from January 1st to April 22nd (113 days) will go to pay federal, state, and local taxes in 2008, according to the Tax Foundation. Therefore, April 23rd will be "Tax Freedom Day," the day on which the average American will start working for anything besides taxes. 74 days of work this year will just be for paying federal taxes.

- Americans still spend more time working to pay taxes to all levels of government than they spend working to pay medical expenses, put food on their tables, and buy clothing combined.

If nothing is done, and Congress takes no action, by 2011 you can expect the following tax increase

- The marginal income tax rates will increase as follows:

- 35% bracket will increase to 39.6%

- 33% bracket will increase to 36%

- 28% bracket will increase to 31%

- 25% bracket will increase to 28%

- 10% and 15% brackets will condense to 15%

- The capital gains rates for individuals will increase from 15% and 0% to 20% and 10%.

- Dividends will no longer be taxed at the capital gains rates for individuals, thereby increasing the double taxation of dividends by as much as 62%.

- The standard deduction for couples as a percentage of the standard deduction for singles will decrease from 200% to 167%--restoring the marriage penalty.
- The top end of the 15% marginal income tax bracket for couples as a percentage of the top end for singles will decrease from 200% to 167%--restoring the marriage penalty.
- The child tax credit will decrease from \$1,000 to \$500.
- The “death” tax using the “stepped up” basis will return with a 55% maximum rate (including surtax) and a \$1 million exemption, after years of decreasing “death” tax rates, increasing exemptions, and one year using the “carryover” basis to calculate the tax due.

Happy Tax Day! (note: heavy sarcasm)